

City of Sugar Land FY20 Budget Workshop

AUGUST 8, 2019

Workshop Outline

- Other Funds
 - Special Revenue
 - Internal Service Funds
 - Economic Development Funds
- Property Taxes
- Debt Service Fund
- Record Vote on 2019 Proposed Tax Rate
- Next Steps



Workshop Format

- Review budget information
- Staff is keeping track of questions
 - Answer questions as we go
 - Identify areas for more information and follow up
 - Will provide a summary of answers to all
- Goal: provide information to allow for informed City Council decisions



**Court Security Fund
Court Technology Fund
Community Development Block Grant
Law Enforcement Funds
Photographic Traffic Signal Enforcement Fund
Debt Reduction Funds
Enclave at River Park PID**

SPECIAL REVENUE FUNDS

Court Security Fund

- \$3 per conviction
- Restricted to improving security at Municipal Court
 - Funds 40% of One Court Bailiff salary & benefits cost
 - Second Bailiff funded 100% from General Fund

	FY19 Projections	FY20 Budget
Begin Balance	\$ 19,760	\$ 31,648
Revenues	49,500	51,350
Expenses	- 37,612	- 40,500
Net Income	11,888	10,850
End Balance	\$ 31,648	\$ 42,498



Court Technology Fund

- \$4 per conviction
- Restricted to improving technology at Municipal Court
- Operations & Maintenance Support
 - Incode maintenance
 - Electronic citations
 - Other software maintenance

	FY19 Projections	FY20 Budget
Begin Balance	\$ 25,431	\$ 22,689
Revenues	72,661	68,675
Expenses	- 75,403	- 64,138
Net Income	- 2,742	4,537
End Balance	\$ 22,689	\$ 27,226



Community Development Block Grant (CDBG)

	FY19 Projections
Revenues	\$383,731
Expenditures	-383,731
Net Income	\$ -

- The City's CDBG program ends with FY19 funding allocation (PY2018)
- No CDBG funds in the FY20 budget
- In FY20 (PY2019) the City is participating in Fort Bend County's CDBG program



Law Enforcement Funds

	FY19 Projections	FY20 Budget
<u>State Seizures</u>		
Revenues	\$ 7,587	\$ 400
Ending Balance	201,625	202,025
<u>Federal Seizures</u>		
Revenues	710	775
Ending Balance	35,000	35,775
<u>Law Enforcement Fund</u>		
Revenues	95	100
Ending Balance	\$4,692	\$4,792



Photographic Traffic Signal Enforcement Fund

	FY19 Budget	FY19 Projections
Revenues	\$ 2,924,796	\$ 1,816,097
Operating Expenditures	- 1,020,586	- 630,639
Net Operating Income (to be split):	1,904,210	1,185,458
50% Transfer to General Fund	- 952,105	- 591,137
50% Remit to State Trauma Fund	- 952,105	- 591,137
Ending Balance	\$ - 0 -	\$ - 0 -

Program ended June 2nd and City stopped accepting payments on June 17th
Final payment to the state trauma fund to be made at fiscal year end



Debt Reduction Funds

- Based on Strategic Partnership Agreements (SPA)
- Separate fund for each area
 - Riverstone
 - Tara Plantation- No SPA
 - Greatwood– Ended in FY19
 - New Territory – Ended in FY19
- Revenue from out of City service fees
- Allowable use of funds defined in SPA



Debt Reduction Funds

FY19 Projections	
<u>Greatwood</u>	
Beginning Balance	\$ 579,408
Revenues	11,434
Transfer to Debt Service Fund	- 590,842
Ending Balance	\$ - 0 -
<u>New Territory</u>	
Beginning Balance	\$ 971,234
Revenues	24,588
Transfer to Debt Service Fund	- 995,822
Ending Balance	\$ - 0 -

Funds closed out in FY19



Debt Reduction Funds

	FY19 Projections	FY20 Budget
<u>Tara Plantation</u>		
Revenues	\$ 43,362	\$ 43,288
Ending Balance	379,526	422,814
<u>Riverstone</u>		
Revenues	142,775	143,175
Ending Balance	\$ 735,579	\$ 878,754



Enclave at River Park PID

- Supports infrastructure reimbursement to developer for a 54.5 acre tract through issuance of debt supported by an assessment to property owners in the district
- More efficient & cost effective than an in-city MUD
- Assessment levied to property owners of 139 platted lots
 - 2018 Assessment \$970 per lot
 - 2019 Assessment will be \$740 per lot



Enclave at River Park PID

	FY19 Projections	FY20 Budget
Beginning Balance	\$ 499,366	\$ 64,663
PID Assessment	132,133	100,114
Transfer from City Property Taxes & Interest Income	48,725	64,660
Developer Reimbursement Paid	- 489,950	-
Other Expenditures	-6,049	- 100
Transfer for Debt Service	- 119,562	- 165,419
Net Income	- 434,703	- 845
Ending Fund Balance	\$ 64,663	\$ 63,818



Internal Service Funds

Employee Benefits Fund

Fleet Replacement Fund

Technology Replacement Fund

Employee Benefits Fund

	FY19 Projections	FY20 Budget
Beginning Balance	\$ 1,601,089	\$ 1,976,941
Revenues	13,477,730	13,778,051
Expenses	- 13,101,878	- 13,822,695
Net Income	375,852	- 44,644
Reserve for Claims	- 1,450,000	- 1,745,656
Ending Available Balance	\$ 526,941	\$ 186,641

- FY20 increases reserve for claims from 14.5% to 17.5% of expected claims
- Anticipates 7% increase from City contributions, Employee contributions TBD



Fleet Replacement Fund

- Annual contributions from operating funds based on inventory
- Accumulate funds for replacement of existing vehicles
 - 57 to be replaced in FY20
- Fund balance policy: 10% of inventory value

	FY19 Projections	FY20 Budget
Begin Balance	\$ 2,937,760	\$ 3,069,782
Revenues	1,831,194	2,159,121
Expenses	- 1,699,172	- 2,656,713
Net Income	132,022	- 497,592
End Balance	\$ 3,069,782	\$ 2,572,190



Technology Replacement Fund

- Annual contributions from operating funds based on inventory
- Accumulate funds for replacement of existing technology systems
 - Replacement of:
 - Computers
 - Network Equipment
 - Radars/Cameras
- Fund balance policy:
 - 10% of inventory value

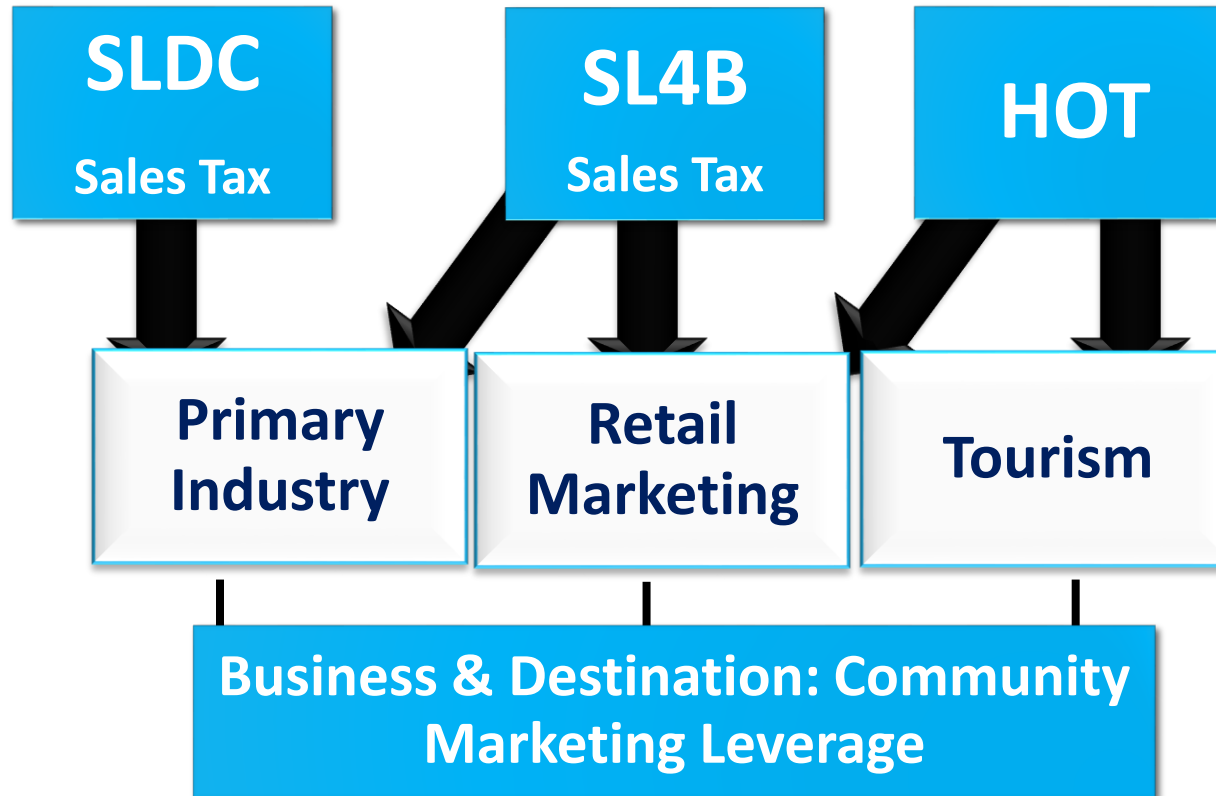
	FY19 Projections	FY20 Budget
Begin Balance	\$ 2,641,412	\$ 2,424,577
Revenues	1,341,493	1,345,218
Expenses	- 1,508,328	- 1,798,119
Net Income	- 166,835	- 452,901
Ending Balance	\$ 2,474,577	\$ 2,021,676



Economic Development Program

**Tourism & Special Events Funds
SLDC / SL4B Corporations**

Economic Development Program Funding



Overview - Tourism Fund

- Revenues From Hotel Occupancy Tax
 - City Collects Tax of 7% of Room Receipts
- Spending Restrictions:
 - At least 1/7 (1% of tax rate) on advertising
 - Max of 15% on arts programs
 - Max of 50% on historic preservation
- Restricted Use of Revenues
 - Attract tourists from outside the region to promote the convention and hotel industry



Tourism Fund

	FY19 Projections	FY20 Budget
Revenues	\$ 2,379,374	\$ 2,474,347
Tourism Program	- 767,923	- 927,512
Visitor Center	- 220,789	- 303,579
Cultural Arts/Public Arts	- 30,240	- 48,000
Transfers Out	- 1,483,315	- 1,454,178
Total Expenditures	- 2,502,267	- 2,733,269
Revenue less Expenditures	- 122,893	- 258,922
Ending Fund Balance	\$ 1,143,848	\$ 884,926



Tourism Fund Additions

FY20 ADDITIONS	AMOUNT
Tourism Program	
• Destination Event Coord (PT) and Sales/Marketing	\$ 45,232
Visitor Center	
• Electricity for Container Warehouse	33,000
• Container Warehouse O & M	48,190
Non-Departmental	1,452
TOTAL	\$ 127,874



Tourism Fund Long Range Forecast

	FY20	FY21	FY22	FY23	FY24
Revenues	\$2,474,347	\$2,707,463	\$2,761,199	\$2,815,726	\$2,871,756
Expenditures	-2,733,269	-2,741,915	-2,759,844	-2,781,359	-2,801,671
Net Income	-258,922	-34,451	1,355	34,367	70,085
Fund Balance	884,926	850,474	851,829	886,196	956,282
Over Policy	\$644,538	\$586,705	\$582,779	\$611,786	\$676,372



Special Events Fund

	FY19 Projections	FY20 Budget
Rental Fees	\$ 26,904	\$ 27,800
Transfers In	60,854	50,000
Total Revenues	87,858	77,900
Expenditures	- 81,281	- 88,779
Net Income	6,577	- 10,879
Fund Balance	\$ 16,001	\$ 5,122



Economic Development Sales Tax Overview

- Each Corporation funded through ¼ cent sales tax
 - Sugar Land Development Corporation: Type A
 - Sugar Land 4B Corporation: Type B
- Funding restricted by the Economic Development Act
 - Voters can authorize use of Type A funding for Type B projects
 - US59 Widening (1998)
 - Entertainment District/ Performing Arts (2008)
- Main Purpose
 - Promote growth & diversification of the tax base
 - Support economic development efforts



Sugar Land Development Corporation (SLDC)

	FY19 Projections	FY20 Budget
Revenues	\$ 8,072,685	\$ 7,707,022
Expenditures	- 8,478,745	- 8,601,739
Net Income	- 406,060	- 894,717
Debt Service Reserve/Sales Tax	- 5,188,702	- 5,136,613
Ending Fund Balance	3,751,476	2,908,848
Policy Requirement	933,750	946,053
Over Policy	\$2,817,726	\$1,962,795



SLDC Expenditures

	FY20 Budget
Economic Development Program	\$ 597,017
Economic Development Incentives	1,700,000
Contractual Services	52,790
Debt Service	4,088,984
Capital Project Funding & Reimbursement	1,517,311
Transfers to Other Funds	645,637
Total Expenditures	\$ 8,601,739



SLDC FY20 Project Funding

Project	Amount
Owens Rd- Supplemental Design	\$ 150,000
University Blvd N (S. Stadium Dr) Reimbursement	1,367,311
Total Funding	\$ 1,517,311



SLDC Five Year Forecast

\$ Millions	FY20	FY21	FY22	FY23	FY24
Revenues	\$7.71	\$7.87	\$8.17	\$8.41	\$13.45
Reserve for Opportunities*	-	-	-	1.75	6.32
Expenditures (incl R4O)	-8.60	-9.12	-8.39	-8.73	-13.29
Net Income	-0.89	-1.25	-0.23	-0.32	0.16
Debt Service Reserve/Sales Tax	-5.13	-5.08	-5.02	-4.95	-4.81
Available Fund Balance	2.90	1.71	1.54	1.28	1.58
Policy Requirement (15%)	0.94	0.96	0.99	1.02	1.05
Over Policy	\$1.96	\$0.75	\$0.55	\$0.26	\$0.53

* Future discussion planned for Reserve for Opportunities in Fall 2019



Sugar Land 4B Corporation (SL4B)

	FY19 Projections	FY20 Budget
Revenues	\$ 7,021,690	\$ 6,683,908
Expenditures	- 6,232,077	- 9,924,999
Net Income	789,613	- 3,241,091
Debt Service Reserve/ Sales Tax	- 4,133,876	- 3,955,811
Ending Fund Balance	4,247,656	1,184,630
Policy Requirement	933,750	946,053
Over Policy	\$ 3,313,906	\$ 238,576



SL4B Expenditures

	FY20 Budget
Economic Development Program	\$ 561,620
Contractual Services	12,200
Debt Service	3,354,175
Incentives	787,500
Reserve for Opportunities	3,800,000
Transfers to Capital Projects	710,000
Transfers to Other Funds	699,504
Total Expenditures	\$ 9,924,999



SL4B Capital Projects

	FY20 Budget
Public Arts Project	\$ 210,000
Joint Participation in CIP	200,000
Landscape Replacement for Major Roadways and Enhancement	200,000
Senior Center Study	100,000
Total Expenditures	\$ 710,000



FY20 Public Arts Projects

Project	\$ Allocated
Annual Maintenance/Conservation Allocation	\$ 15,000
90A Hardscape- 4 Murals (2 Murals in FY20)	100,000
Artistic Mural at Fire Station #6	50,000
Traffic Boxes (8) - Phase 3	20,000
Bridge Enhancement	100,000
Total Projects*	\$ 285,000

Funded from SL4B (\$210,000) and Tourism Fund (\$50,000) Restricted Dollars

*Portion funded from FY19 allocation



SL4B Five Year Forecast

\$ Millions	FY20	FY21	FY22	FY23	FY24
Revenues	\$6.68	\$6.77	\$ 6.96	\$7.16	\$15.19
Reserve for Opportunities*	3.80	1.80	2.40	3.20	10.96
Expenditures (incl R4O)	- 9.92	- 6.95	- 7.20	- 7.38	- 15.16
Net Income	-3.24	-0.18	-0.24	-0.22	0.02
Available Fund Balance	1.18	1.21	1.19	1.16	1.32
Policy Requirement (15%)	0.946	0.96	0.99	1.02	1.05
Over Policy (after R4O)	\$ 0.24	\$0.24	\$0.20	\$0.4	\$0.26

* Future discussion planned for Reserve for Opportunities in Fall 2019



Property Taxes

Property Tax

- Importance of Property Tax
 - Property Tax is one of the main revenue sources for the General & Debt Service Funds
 - One of the few revenue streams the City has control over
 - Funding Supports:
 - General Fund: Public Safety, Public Works, Parks, etc.
 - General CIP:
 - Drainage Projects
 - Major Street Reconstruction
 - Public Safety Equipment and Improvements
 - Facilities



Certified Tax Roll

- Certified totals received on July 23rd
- Received 2 tax rolls:

Description	Amount
ARB Approved	\$ 15,951,673,020
ARB Review	231,407,304
Total @ 100%	\$ 16,183,080,324
Less: TIRZ	- 431,154,284
Net AV to City @ 100%	\$ 15,714,757,055

- Using 95% of ARB review property value for budgeting and effective tax rate calculations per Chief Appraiser



2019 Certified Tax Roll vs 2018

\$ Millions	2018	2019*	\$ change	% change
Residential	\$ 12,910	\$ 12,948	37	0.29%
Commercial	4,983	5,200	217	4.36%
Ag/Auto	140	147	7	5.27%
Exemptions	- 1,933	- 2,124	- 191	- 9.89%
Taxable Value	\$ 16,101	\$16,172	70	0.44%
Less: TIRZ	- 388	- 431	- 43	- 10.99%
Net to City	\$ 15,712	\$ 15,740	28	0.18%

* Includes ARB Review value at 95%



Changes from Prior Year Values

\$M	Residential	Commercial	Ag/Auto	Total
New Value to Tax Roll	\$ 45.41	\$ 42.18		\$ 87.59
Revaluation	-8.12	174.96	7.37	174.21
Change in Exemptions	-187.13	9.49	-13.50	-191.14
Change within TIRZ	-16.78	-26.01		-42.79
Total	\$ -166.62	\$ 200.62	-6.13	\$ 27.87



Tax Roll Breakdown: Residential vs Commercial

	2018 Certified Tax Roll	2019 Certified Tax Roll	Goal Measure Target	Goal Measure Target Met
Residential	69.6%	68.4%	69%	★
Commercial/Auto	30.4%	31.6%	31%	★

Revaluation	% from 2018
Residential	-1.5%
Commercial	3.7%
Total	-0.1%



Effective Tax Rate Calculation

Component	Amount
Last Year's Adjusted* Tax Revenue	\$ 50,999,319
This Year's Adjusted* Taxable Value	\$ 15,652,860,745
2019 Effective Tax Rate per \$100	\$0.31925
Current (2018) Nominal Rate	\$0.31762
2018 Nominal Rate % over Effective Tax Rate	\$ -0.00163

*2018 revenue adjusted for refunds & lawsuits

*2019 is adjusted for new value and TIRZ



Tax Rate Required to Fund FY20 Budget and CIP

	2019
Operations & Maintenance	\$ 0.19705
Debt Service	0.13495
Total	\$ 0.33200



Impact to Residential Tax Bill

	2018	2019	% Increase
Tax Rate	\$0.31762	\$0.33200	4.5%
Homestead Exemption %	10%	12%	20%
Average Home Value	\$375,201	\$ 375,289	0.02%
Homestead Exemption \$	- 37,520	- 45,035	- 20%
Taxable Value	\$ 337,681	\$ 330,255	- 2.2%
City Tax Bill	\$ 1,072	\$ 1,096	
Increase vs Prior Year		\$ 24	2.23%



Tax-Backed Bonds Debt Service Fund



Debt Service Fund

- Accounts for repayment of Tax Backed Debt
- Revenue sources:
 - Property Taxes
 - Debt service tax rate of \$0.13495
 - Homestead exemption at 12%
 - Transfers in
 - Tourism Fund (COs backed by HOT)
 - Utility Fund (Assumed MUD Debt)
 - Capital Projects (Transportation Fees for University Blvd S.)



FY20 Debt Service Expenditures

- Debt service on current outstanding debt obligations (\$ 26.77M)
- Debt service on planned new bond issues (\$ 2.08M)
 - Remaining voter authorized GO Bonds
 - CO's to support FY20 capital projects
- Paying agent fees
- Rebates to in-city MUDs (\$1.68M)
- Transfer to Airport Fund: taxes from property @ airport



Debt Service Fund Summary

Millions (\$)	FY19 Projection	FY20 Budget
Revenues	\$ 46.298	\$ 29.143
Expenditures	- 43.847	- 30.634
Net Change	2.451	- 1.491
Ending Fund Balance	8.047	6.583
Policy Requirement (10% of DS)	2.694	2.886
Over Policy	\$ 5.379	\$ 3.697



FY20 CIP Projects: Certificates of Obligation \$16M

Project	Project Budget
Settlers Park Drainage Improvements	\$ 5,000,000
Brazos River Erosion Land Acquisition	100,000
Riverbend Arch Siphon Pipe Rehabilitation	450,000
Riverbend Spillway Rehabilitation	100,000
Sugar Creek Storm Sewer Pipe Rehab/Lining	550,000
Public Safety Training Facility	810,000
ERP Implementation (Phase II)	1,560,000
High Site Communication Improvements	730,000
Major Facilities Rehabilitation	1,250,000
Major Street Rehabilitation	5,000,000
Bridge Rehabilitation	200,000
Traffic Evaluation & Safety Improvements	250,000
Total FY20 CO Projects	\$ 16,000,000



FY20 CIP Projects: General Obligation Bonds \$10.26M

- Issue full remaining GO bond authorization in FY20
- Utilize \$2M in already issued GO bonds
- Scopes to be refined based on completion of design and confirmation of grant opportunities

Project	Project Budget
First Colony Trail	\$ 1,550,000
Ditch H Trail	7,020,502
Brazos River Park- Phase II	3,585,423
Prior Bonds Issued but Unspent	-1,900,925
FY20 GO Issuance	\$ 10,255,000



Timing of FY20 Bond Issues

Date	Step
August 15	Review proposed issues with Finance/Audit Committee
August 20	Resolution of Intent to Issue Certificates of Obligation
August 28	First Publication: Notice of Intent to Issue CO's
September 4	Second Publication: Notice of Intent to Issue CO's
October 15	Competitive Sale of CO's and GO Bonds Award at City Council Meeting
November 18	Bond Closing and Delivery of Funds



Debt Service Fund Forecast Assumptions

- Base revenues from FY20 property taxes
- Continue transfers in for self-funded debt
- Three cent increase on tax rate for GO Bond Program in FY21
- Supports current debt service obligations
- Supports planned FY20 bond issues (CO's and GO's)
- Builds in \$90M in new debt from GO Bond Program
 - Issue over 3 years to use capacity from declining debt service
- Rebates to in-city MUDs
- Meets fund balance policy



Debt Service Fund Five Year Forecast

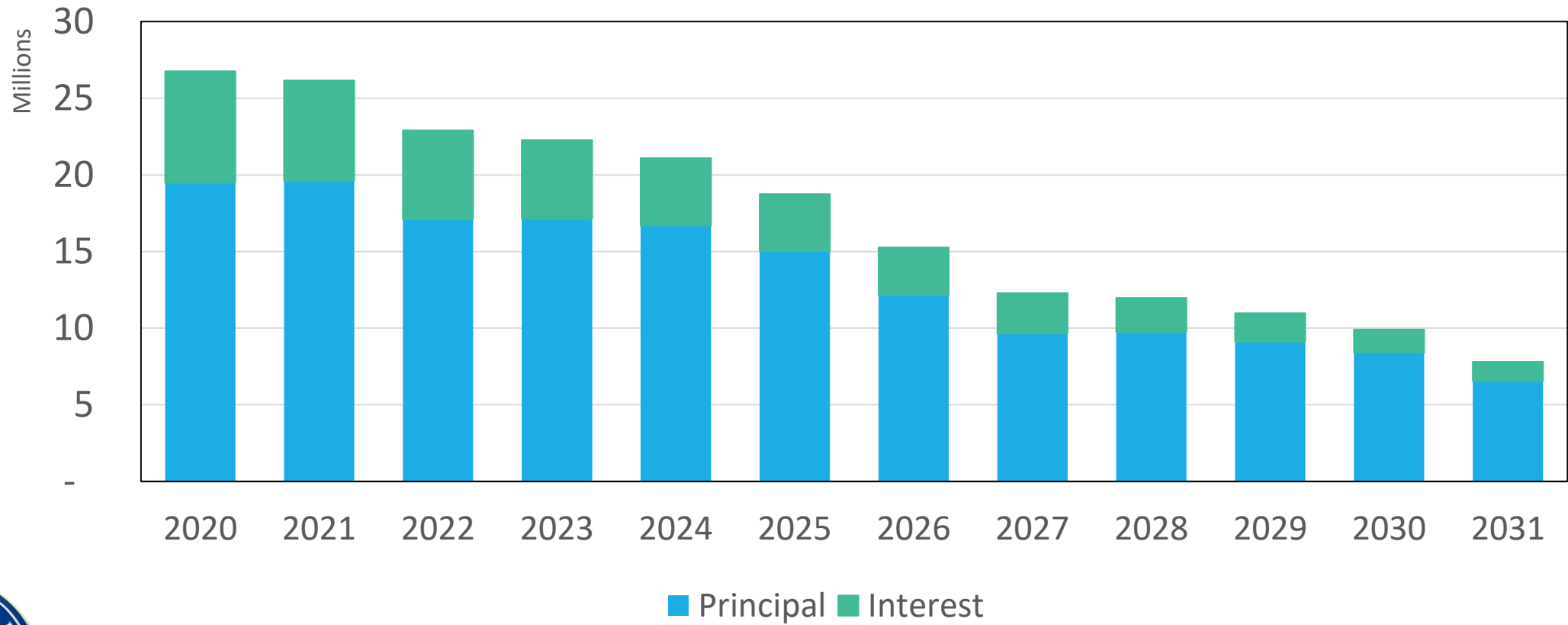
Millions (\$)	FY20	FY21	FY22	FY23	FY24
Property Taxes	\$ 21.14	\$ 25.92	\$ 25.92	\$ 25.95	\$25.96
Transfers/Interest	8.00	7.82	6.76	6.67	6.01
Total Revenues	29.14	33.74	32.68	32.62	31.97
Debt Service Payments	- 28.89	- 31.22	- 30.67	- 32.58	- 31.32
Rebates/Other	- 1.74	- 2.16	- 2.16	- 2.15	- 2.15
Total Expenditures	- 30.63	- 33.38	- 32.83	- 34.73	- 33.47
Net Income	-1.49	0.35	-0.14	-2.11	-1.50
Over Policy (10% of DS)	\$ 3.69	\$ 3.82	\$ 3.72	\$ 1.42	\$ 0.04

Falling debt service in future years maintains the balance of fund over policy requirements

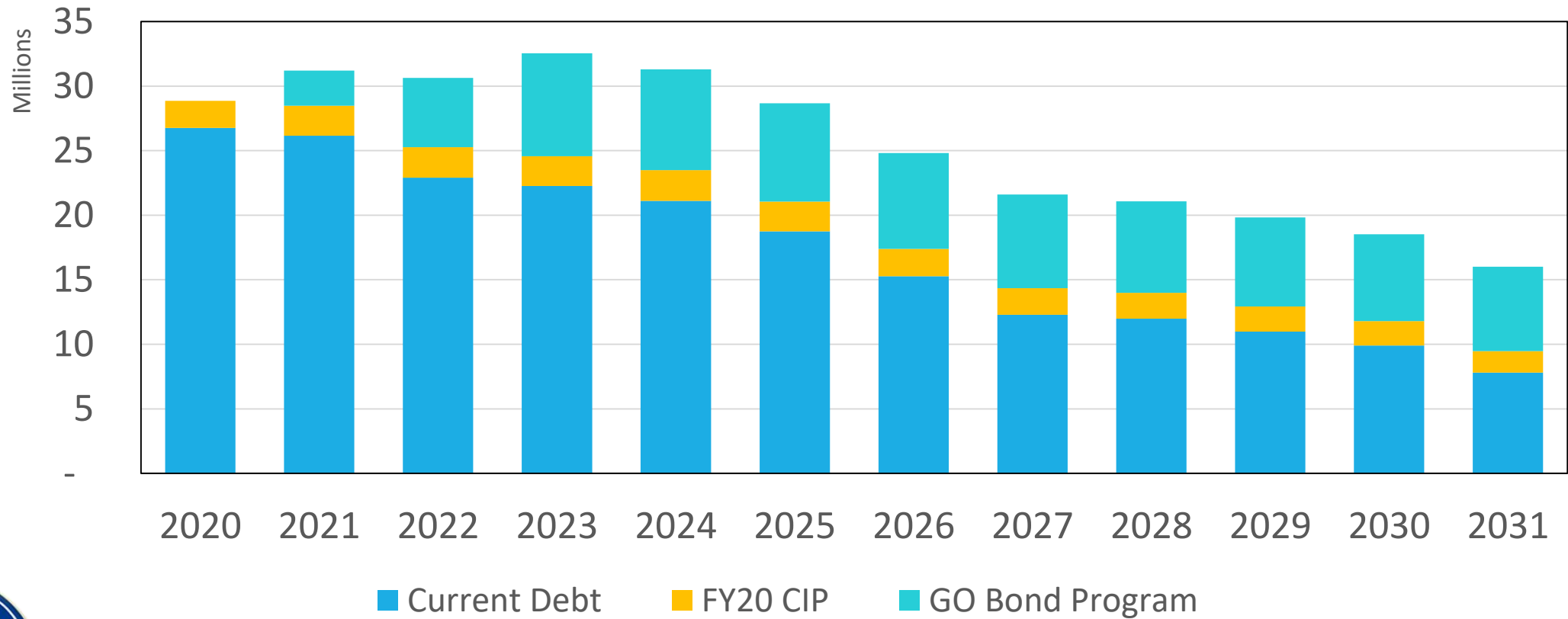


Debt Service Requirements FY20-30

Current Outstanding Debt



Debt Service Requirements FY20-30 With New Debt and GO Bond Program



Taxable Debt Service Fund for Smart Financial Centre

- Lease paid monthly in arrears on the first of each month
- Resets each January 1
- Based on calendar year Debt Service Requirement for Series 2014A Taxable CO's
- Debt service Reserve equal to last 3 years DS payments
 - Began Jan 2019, paid over a 12 year period
 - Letter of Credit on file until DS Reserve is met
- Lease runs through Dec 31, 2046

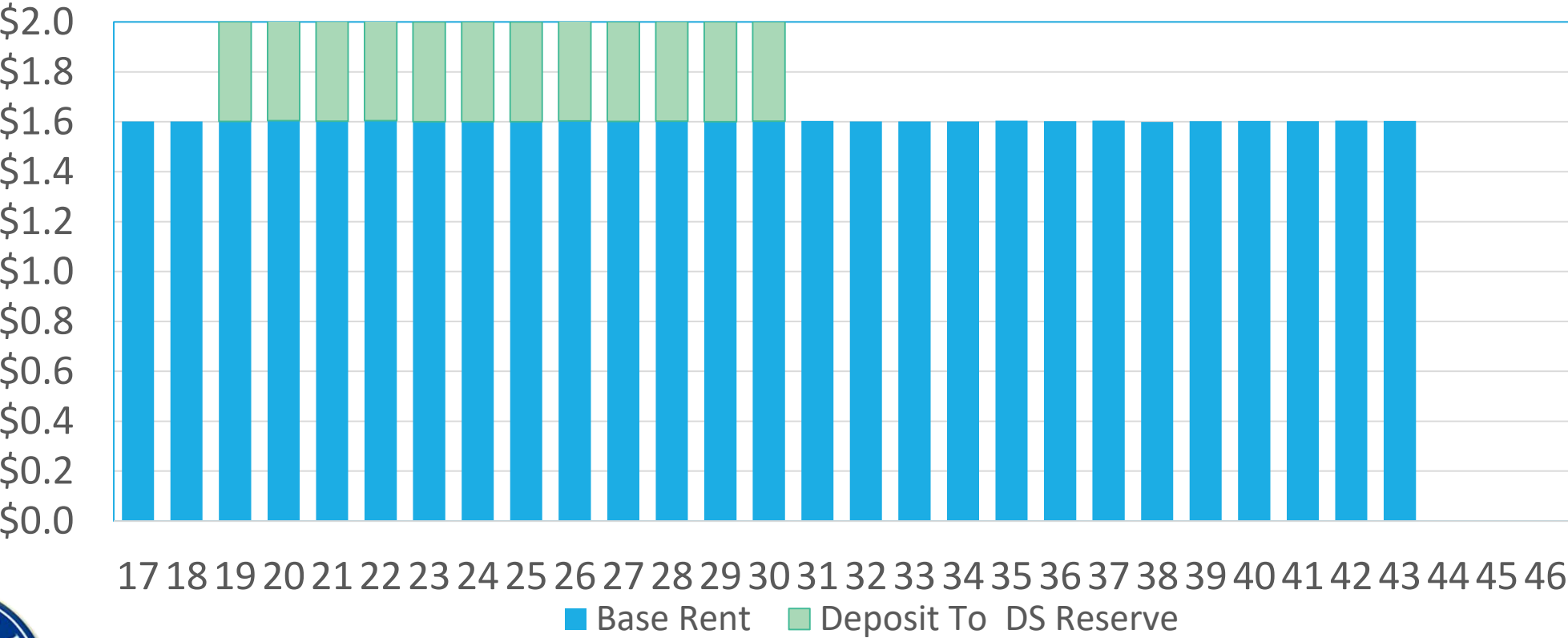


Taxable CO's Debt Service Fund

Millions (\$)	FY19 Projection	2020 Budget
Lease Revenues & Interest	\$ 1.876	\$ 2.013
Debt Service/Fees	-1.592	-1.591
Net Change	0.284	0.422
Debt Service Reserve	-0.300	-0.701
Ending Fund Balance	\$ 0.607	\$ 0.628



Lease Payments from ACE SL, LLC



Taxable CO's Debt Service Fund Long Range Forecast

Millions (\$)	FY20	FY21	FY22	FY23	FY24
Lease Payments/ Interest	\$2.013	\$2.012	\$2.014	\$2.010	\$2.009
Debt Service/Fees	- 1.591	- 1.594	- 1.592	- 1.593	- 1.589
Net Income	0.422	0.418	0.422	0.417	0.420
Ending Fund Balance	1.331	1.749	2.171	2.588	3.009
Less: Debt Service Reserve	-0.701	-1.101	-1.502	-1.903	-2.303
Available Ending Balance	\$ 0.630	\$ 0.647	\$ 0.668	\$ 0.685	\$ 0.706



Record Vote on Tax Rate

**DIRECTION TO PUBLISH NOTICE OF PROPOSED TAX RATE
SCHEDULE PUBLIC HEARINGS**

City Council Actions

- Vote on proposed tax rate for public notice, set dates for public hearings
- Hold 2 public hearings on the proposed tax rate
 - August 27th
 - September 3rd
- Place an item on the September 17th agenda to adopt tax rate
- Vote on tax rate for adoption
 - Any tax rate over the effective tax rate requires a super majority (60%) or 5 Council Members to adopt



Property Tax Process

- Ad Valorem tax process governed by state law: “Truth in Taxation” under the Texas Tax Code § 26.04
- Law dictates:
 - Calculations
 - Terminology
 - Public notices
 - Tax rate adoption process
 - Adopted in 2 parts: M&O and I&S
 - Adopted after budget approval



Truth in Taxation Calculations

Description	Rate
Last Year's Tax Rate (2018)	\$0.31762
Effective Tax Rate	\$ 0.31925
Rollback Rate	\$0.33617
Proposed 2019 Tax Rate	\$0.33200



Notice of Proposed Tax Rate

NOTICE OF 2019 TAX YEAR PROPOSED PROPERTY TAX RATE FOR CITY OF SUGAR LAND

A tax rate of \$0.33200 per \$100 valuation has been proposed for adoption by the governing body of City of Sugar Land. This rate exceeds the lower of the effective or rollback tax rate, and state law requires that two public hearings be held by the governing body before adopting the proposed tax rate.

The governing body of City of Sugar Land proposes to use revenue attributable to the tax rate increase for the purpose of implementing voter approved bond projects, offset by a 2% increase to the residential homestead exemption.

PROPOSED TAX RATE	\$0.33200 per \$100
PRECEDING YEAR'S TAX RATE	\$0.31762 per \$100
EFFECTIVE TAX RATE	\$0.31925 per \$100
ROLLBACK TAX RATE	\$0.33617 per \$100

The effective tax rate is the total tax rate needed to raise the same amount of property tax revenue for City of Sugar Land from the same properties in both the 2018 tax year and the 2019 tax year.

The rollback tax rate is the highest tax rate that City of Sugar Land may adopt before voters are entitled to petition for an election to limit the rate that may be approved to the rollback rate.



Notice of Proposed Tax Rate

YOUR TAXES OWED UNDER ANY OF THE ABOVE RATES CAN BE CALCULATED AS FOLLOWS:

$$\text{property tax amount} = (\text{rate}) \times (\text{taxable value of your property}) / 100$$

For assistance or detailed information about tax calculations, please contact:

Carrie Surratt, PCC, CTO
Tax Assessor-Collector
1317 Eugene Heimann Circle, Richmond, TX 77469-3623
281-341-3723
carrie.surratt@fortbendcountytexas.gov
www.fortbendcountytexas.gov

You are urged to attend and express your views at the following public hearings on the proposed tax rate:

First Hearing: August 27, 2019 at 5:30 p.m at 2700 Town Center Blvd, Sugar Land, TX 77479.

Second Hearing: September 3, 2019 at 6:00 p.m at 2700 Town Center Blvd, Sugar Land, TX 77479.



Notice of Public Hearing on Tax Increase

To be posted on City website in addition to proposed tax rate notice

Notice of Public Hearing on Tax Increase

The City of Sugar Land will hold two public hearings on a proposal to increase total tax revenues from properties on the tax roll in the preceding tax year by 3.99 percent (percentage by which proposed tax rate exceeds lower of rollback tax rate or effective tax calculated under Chapter 26, Tax Code). Your individual taxes may increase at a greater or lesser rate, or even decrease, depending on the change in the taxable value of your property in relation to the change in taxable value of all other property and the tax rate that is adopted.

The first public hearing will be held on August 27, 2019 at 5:30 p.m at 2700 Town Center Blvd, Sugar Land, TX 77479.

The second public hearing will be held on September 3, 2019 at 6:00 p.m at 2700 Town Center Blvd, Sugar Land, TX 77479.

The members of the governing body voted on the proposal to consider the tax increase as follows:



Notice of Public Hearing on Tax Increase

To be posted on City website in addition to notice of proposed tax rate

The average taxable value of a residence homestead in City of Sugar Land last year was \$337,681. Based on last year's tax rate of \$0.31762 per \$100 of taxable value, the amount of taxes imposed last year on the average home was \$1,072.54.

The average taxable value of a residence homestead in City of Sugar Land this year is \$330,254. If the governing body adopts the effective tax rate for this year of \$0.31925 per \$100 of taxable value, the amount of taxes imposed this year on the average home would be \$1,054.34.

If the governing body adopts the proposed tax rate of \$0.33200 per \$100 of taxable value, the amount of taxes imposed this year on the average home would be \$1,096.44.

Members of the public are encouraged to attend the hearings and express their views.



Tax Calendar

July 20, 2019	Certification of anticipated collection rate by collector.
July 25, 2019	Calculation of effective and rollback tax rates.
August 1, 2019	Submission of effective and rollback tax rates to governing body.
August 2, 2019	72-hour notice for meeting (<i>Open Meetings Notice</i>).
August 8, 2019	Meeting of governing body to discuss tax rate; if proposed rate tax rate will exceed the rollback rate or the effective tax rate (whichever is lower), take record vote and schedule public hearing.
August 19, 2019	Publish the Notice of Property Tax Rates by September 1 or the 30th day after the first date that the taxing unit has received each applicable certified appraisal roll. Notice must also be posted on the municipality's website.
August 23, 2019	72-hour notice for public hearing (<i>Open Meetings Notice</i>)
August 27, 2019	Public hearing.
August 30, 2019	72-hour notice for second public hearing (<i>Open Meetings Notice</i>)
September 3, 2019	Second public hearing (may not be earlier than 3 days after first public hearing); schedule and announce meeting to adopt tax rate 3-14 days from this date.
September 13, 2019	72-hour notice for meeting at which governing body will adopt tax rate (<i>Open Meetings Notice</i>)
September 17, 2019	Meeting to adopt tax rate. Meeting is 3 to 14 days after second public hearing. Taxing unit must adopt tax rate by Sept. 30* or 60 days after receiving certified appraisal roll, whichever is later.

*Tax Code Section 81.06 directs that if a date falls on a weekend, the deadline is extended to the following regular business day



City Council Action

- **Vote to Publish Notice of Proposed Tax Rate of \$0.33200 and Set Public Hearings on the proposed tax rate**
 - **August 27th at 5:30 p.m.**
 - **September 3rd at 6:00 p.m.**
- **Supports FY20 budget and CIP as filed**
- **Proposed rate is 3.99% higher than the effective tax rate**
- **Impact to average residential tax bill 2.23% or \$24/year**



Key Dates

Date	Action
Aug 15	Workshop on Enterprise Funds
Aug 20	Public Hearing on Proposed Budget
Aug 27	Public Hearing on Proposed Tax Rate Public Hearing on PID Assessment
Sept 3	Public Hearing on Proposed Tax Rate First Reading of Fee Ordinance & PID Assessment
Sept 17	Approve FY20 Budget, Five Year CIP and Comp Plans Adopt 2019 Tax Rate Second Reading of Fee Ordinance & PID Assessment



Clarifying Questions for Staff

Council Motion and Discussion
